

Feb. 6, 2007

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(discussion about terms)

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Comm. Garza: Now we're going to have new construction in the \$100 million range, or \$200 million range.

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Comm. Garza: An item on the contract?

Comm. Palacios: On the agenda. No Steve?

Godfrey: No sir.

Steve: Real estate acquisition and pending or potential litigation.

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Steve: The way that is currently set up is .. there's two forms of compensation. The first form is the same as last year's contract ..

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Comm. Garza: By hiring an outside auditing firm.

Godfrey: Yes sir.

Judge Salinas: Who's done it in the past?

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Godfrey: We haven't done it in the past sir.

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Comm. Handy: He's doing the math.

Comm. Garza: Well. Based on your one and a half percent figure..

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Comm. Garza: Well no, 10 million dollars in construction is 150 thousand?

Godfrey: Yes sir.

Comm. Garza: To oversee the construction.

Comm. Palacios: If you do it all in one year.

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Comm. Garza: Well let's say it's gonna take five years...

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Judge Salinas: When do we start work on the 100 million

(Godfrey talks about meetings, timelines, and upcoming meetings, ratings, etc..)

(Godfrey talks about Estrada & Hinojosa regarding bond sales)

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Comm. Garza: Yeah I have a question. Mark Luper. I'm gonna put you on the spot right now.

Mark Luper: Mark Luper with TEDSI Infrastructure.

Comm. Garza: In the open market, for a construction manager type of situation that Mr. Godfrey is talking about..by a consultant, what's the fee?

Mark Luper: It ranges between 3 to 5 percent of the construction costs.

Comm. Garza: And that person makes sure that everything gets where it needs to be?

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Comm. Garza: Ok. Godfrey, why are you requesting one and a half percent?

Comm. Palacios: That's good, déjà lo.

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Godfrey: I guess we can go into executive session as to potential litigation, I guess I'm short changing myself. (laughter) I think it's a just fee, for the work that I'm requested of doing. I'm gonna be working on a daily basis already within the district. I feel my monthly compensation also is part of the work that I need to do. Going out there and hiring an independent consultant outside, or another firm, they would have to dedicate or have people coming in. I'm gonna be on a day to day basis, that I've done in the past for the district.. and I feel it's a fair compensation. If the board would like to consider a higher compensation there will be no objection from my end.

Comm. Garza: Mark Luper. Do you know of anybody, in the county, that has the experience and the knowledge that Godfrey does, with our drainage district?

Judge Salinas: Or volunteers?

Mark Luper: Not in my.. that I can think about.

Comm. Garza: This one and a half percent.. of course if it's a 70 or a 100 million dollar project over 20 years amounts to a pretty good chunk of change, but I don't know if you're aware with.... about our system that we're trying to work... acquisition of real estate could take a year, year and a half?

Mark Luper: Yes sir. (Godfrey: Yes sir)

Godfrey: We're anticipating right now, and this we'll put out to the public on the bond issue.. we're anticipating about 40 percent of the bond issuance of 100 million dollars is going to be land acquisition.

Comm. Garza: Ok. So.. gimme a hole in this contract, Mark. What's the hole in it? Where's the hole in it? Where ...why am I .. why are we getting such a good deal? Why are we, why is it only one and a half percent instead of three and a half or four and a half?

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Mark Luper: He's very knowledgeable of your whole system. I can't think of anybody else.

Comm. Garza: And arbitrage. I forgot about that. You know what, I'm comfortable with it all day long.

Judge Salinas: Any other questions?

Comm. Palacios: So moved.

(vote taken, item passed unanimously)

Comm. Garza talks about moving aggressive on acquisition of assets and real estate

Comm. Palacios: Looking forward on continuing to work with you, but I would recommend you get something on the agenda, a report to the court and the general public.. of any.. or status report, at least every other week.

Godfrey: Judge, Commissioners, in my contract it's put in there that I will be providing a report to you all and the general public every 30 days on the status of the projects, or more if the board wishes. But we want to keep the general public informed as much as possible as to where their tax money is being spent on the bond issuance.

Comm. Palacios: And if you can make a news release

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